

VIRGINIA RACING COMMISSION

May 29, 2013

10700 Horseman's Road

New Kent, VA 23124

Commencing at 10:06 a.m.

COMMISSION MEMBERS:

Stuart Siegel, Chairman

J. Sargeant Reynolds, Jr., Vice Chairman

Carol G. Dawson

D.G. Van Clief, Jr.

Stran L. Trout

COMMISSION STAFF:

Bernard J. Hettel, Executive Secretary

David S. Lermond, Jr., Deputy Executive Secretary

Kimberly M. Carter, Office Administrator

Joseph M. Rooney, Director of Security & Operations

C. Richard Harden, DVM, Equine Medical Director

ATTORNEY GENERAL'S OFFICE

Donald R. Ferguson, Esquire

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1 CHAIRMAN SIEGEL: Ladies and Gentlemen, it's
2 the appropriate time, ten a.m., or a couple minutes
3 after, actually, so we call to order the May meeting
4 of the Virginia Racing Commission.

5 The first item on our agenda of minutes from
6 the March 27th meeting, the Commissioners'
7 corrections to those minutes have already been made
8 and the new ones are in your book. There's nothing
9 significant in the changes, just one area that was
10 corrected, so I would suggest a motion to approve
11 them.

12 MS. DAWSON: So moved.

13 MR. VAN CLIEF: Second.

14 CHAIRMAN SIEGEL: All in favor?

15 NOTE: The Commissioners vote aye.

16 CHAIRMAN SIEGEL: Approved.

17 Any Commissioners' comments at this point?

18 MS. DAWSON: I do have one.

19 CHAIRMAN SIEGEL: Sure.

20 MS. DAWSON: Just wanted to say that I attended
21 the Gold Cup Race, and it was a marvelous event, and
22 I brought with me this morning the coverage of the
23 chronicle of the horse's story.

24 But the most important thing I think in this
25 story is the quote from the jockey of the winning

1 horse. He was mentioning the --

2 CHAIRMAN SIEGEL: Speak up a little bit. Just
3 a little louder.

4 MS. DAWSON: Okay. I just wanted to read the
5 quote from the jockey of the winning horse. He
6 said -- he was referring to the betting. It was the
7 first time for that race.

8 He said: When I was coming back up the alley
9 to the winner's circle, people were cheering and
10 waving around their winning tickets. Usually at the
11 U.S. jump meets, I'd swear 60 percent of the people
12 can't tell you who's won. This made it mean
13 something to everybody. I could hear the
14 excitement.

15 So it was. It was really a great addition to
16 that traditional event, the betting.

17 MR. PETRAMALO: Some of us even had a bet on
18 that winning horse.

19 CHAIRMAN SIEGEL: What's that?

20 MR. PETRAMALO: I said some of us present even
21 had a bet on that winning horse.

22 MS. DAWSON: Congratulations.

23 MR. PETRAMALO: Grinding Speed.

24 MR. VAN CLIEF: Mr. Chairman, can I add to
25 that?

1 CHAIRMAN SIEGEL: Sure.

2 MR. VAN CLIEF: That's a great comment. I had
3 the privilege of being on hand as well and enjoyed
4 the hospitality. It was a beautiful day.

5 I thought it was a terrific experiment. It
6 seemed obvious to me just looking at the lines to
7 bet that it was popular, and I'm sure that the
8 management team and the board has plans to build on
9 what they did last month, and I'd love to see the
10 proliferation of pari-mutuel wagering with jump
11 racing in the state.

12 I think it's a great entrance for a lot
13 of new fans, and I hope that you all feel the
14 experience was as good as it looked and that you'll
15 have some more betting terminals there next year.

16 CHAIRMAN SIEGEL: There's gonna be a discussion
17 or a report, I guess, on the outcome of that event
18 later in the meeting, but I unfortunately had a
19 conflict that day, but I did hear very good things
20 about it, and I would hope to attend next year.

21 So if there's no other comments from
22 Commissioners, Mr. Reynolds, you had a comment as
23 you came in the room? We are on Commissioners'
24 comments.

25 MR. S. REYNOLDS: I'm sorry to be late. I need

1 to pay more attention to the agenda, where it is,
2 and I need to not hit locked doors as I come in.
3 I'm sure it's in the record.

4 CHAIRMAN SIEGEL: Yeah. I'm sure it's in the
5 minutes. Did you get that?

6 We have a full agenda today, and I think we
7 have some exciting things to talk about. The first
8 would be committee reports. Mr. Van Clief has done
9 a fair amount of work, as has Mr. Reynolds on this
10 committee, the Safety and Medications Committee, so
11 I will ask D.G., I think, please begin reporting.

12 MR. VAN CLIEF: Okay, I will. Thank you,
13 Mr. Chairman.

14 I will take a few minutes this morning to go
15 over what has transpired and what we've done as a
16 committee since this Commission last met.

17 The VRC Safety and Medication Committee did
18 meet on the 29th of May. We had most of our
19 committee members present. If any of you are not
20 familiar with that group, I'll be happy to go
21 through it. In general terms, I think it's a good,
22 diversified group of professionals; horsemen,
23 trainers, veterinarians.

24 The purpose in getting together that day was to
25 consider the Mid-Atlantic race day medication policy

1 proposal that Bernie reported on at the last
2 Commission meeting.

3 In broad terms, the proposal, if you'll recall,
4 and I'll ask Bernie to speak to it a little again by
5 way of review, but it seeks to set a uniform race
6 day policy with regards to medication, which is,
7 frankly, in my experience in this industry,
8 revolutionary to get cross-jurisdiction or it won't
9 mean much of anything, much less medication. I
10 think it will be a huge step forward if we achieve
11 this.

12 So our task when we met with the committee was
13 to go essentially around the table with our
14 committee members, find out what questions might
15 exist with regards to proposed policy, and to get a
16 sense, although we didn't take a formal vote, but to
17 get a good sense of where we stood.

18 So before going on, I'm going to ask Bernie to
19 take a couple minutes to review that Mid-Atlantic
20 proposal, although we've done it once before. I
21 think it is complicated enough that it bears a
22 little discussion.

23 Bernie, would you take us through the steps
24 again?

25 MR. HETTEL: Yes, sir. Just a brief

1 capitulation. The Mid-Atlantic regulators met with
2 the express intent to talk about uniform medication
3 and drug testing, and later today, Dr. Sams, who is
4 our testing laboratory representative from HFO, will
5 speak to that point.

6 That's the bigger, stronger point of that
7 initiative, is the standardized testing. Not all
8 matters have the same standard. It is our fervent
9 desire to make sure that all testing remains
10 positive and of excellence.

11 The other portion of that is the reduction and
12 the control of therapeutic substances in race day
13 medication. Within that group, we started with 24
14 medications that have been deemed appropriate and
15 therapeutic for the race horse on race day, and they
16 are useful in the treatment of illness and injury,
17 in addition to maintaining the good health of the
18 race horse.

19 Within that group are specific restrictive
20 administration times and will also require all
21 testing laboratories to be certified and accredited
22 by the RMTTC, the very specific standard of conduct
23 and operation.

24 So within that, if you'd like, D.G., you can go
25 back to your presentation. We have Dr. Sams

1 available to add any comment.

2 MR. VAN CLIEF: Thanks, Bernie.

3 The good news, I think, is that the committee
4 unanimously supports implementing uniform rules and
5 testing procedures, and at a high quality level for
6 those testing procedures. Nonetheless, there were,
7 not surprising, several questions, several of which
8 arose at our last Commission meeting, and we plan to
9 take these questions to a June 10th meeting of
10 regulators to follow up on the policy.

11 Number one, there was a request for
12 clarification of the penalty system to be applied in
13 case of any infraction. I think Bernie had ongoing
14 comments on those issues.

15 MR. HETTEL: That would be the substance of the
16 June 10th meeting, and we'll come back with a full
17 report of what was decided in that June 10th
18 meeting.

19 There has been paperwork already circulated.
20 There was an RCI conference yesterday, as a matter
21 of fact, to discuss that method. Basically, that'll
22 be based on much like a point system on the driver's
23 license where you have a couple, like a violation,
24 you get too many points accumulated, you lose your
25 license for a specific amount of time.

1 CHAIRMAN SIEGEL: Are we having trouble hearing
2 in the back?

3 THE PUBLIC: Yes.

4 CHAIRMAN SIEGEL: Can I just suggest that we
5 move forward? We're pretty intimate. Move the
6 tables forward and pick up the chairs and move.
7 We're all among friends here, so let's get a little
8 more intimate.

9 MR. TROUT: Turn down the fan on the air
10 conditioner.

11 CHAIRMAN SIEGEL: It would make it hot in here.

12 MR. TROUT: It would make it hot in here.

13 CHAIRMAN SIEGEL: Move a little closer. Fill
14 the seats up in the front part of the room. Sorry
15 to interrupt, but I sense that people were straining
16 to listen.

17 MR. VAN CLIEF: Mr. Chairman, would you like me
18 to back up on any of that? Has anybody missed
19 anything we said?

20 NOTE: There is no response.

21 MR. VAN CLIEF: Okay. The clarification of the
22 penalty system is?

23 MR. HETTEL: It's the main agenda for the
24 June 10th meeting. Yesterday, there was an RCI
25 conference call with the Mid-Atlantic regulatory

1 attorneys to decide a point system, and it will be
2 very analogous to the point system for a driver's
3 license. Too many points, you lose your license.

4 MR. VAN CLIEF: Question Number Two -- These
5 are in no particular order, other than that's the
6 way they were reflected in my notes -- is a question
7 about and a request for clarification of the policy
8 regarding environmental contaminants. We know there
9 are lots of contaminants in the environment and lots
10 of ways those can get into a race horse.

11 We'd like to pursue this with our colleagues at
12 the regional level and look for a policy that would
13 protect horsemen from environmental positives being
14 called with regards to what are clearly
15 environmental contaminants and threshold levels. If
16 such contaminants are detected, certainly they bear
17 some thought on the part of the Commission.

18 Number Three, withdrawal times. If we
19 understand the proposal correctly, withdrawal times
20 for a variety of substances as stated in the
21 proposed regs have moved from their former status as
22 a guideline to becoming an absolute, so that if a
23 substance administered with any given withdrawal
24 time, if that can be proven, would become a
25 sanctionable act unto itself. We want to talk to

1 our colleagues about this and suggest that any
2 penalties be supported by positive testing.

3 Number Four question is whether or not the
4 current list of allowed therapeutic substances,
5 which numbers now 24 down from around 50, will be
6 and can be, whether it can be changed or expanded on
7 in the future. We believe that it probably will.
8 We'd like clarification on that, and Frank used a
9 good example of medication at the last Commission
10 meeting.

11 The question was why we have three effective
12 medications and one's cheaper than the other, so if
13 we can use it effectively, cost effectively, why
14 can't we use that anymore. The answer is that you
15 can use it, but you just can't be contaminated on
16 race day.

17 So we agree that the door should be left open
18 to the change and expansion to that list of 24
19 therapeutics, but I think everybody agreed that such
20 changes would be substantiated and supported by
21 conclusive science going forward. Frank and I look
22 at that as sort of a change.

23 Number Five requested that Standardbreds be
24 considered for a slightly different role when it
25 comes to the application of corticosteroids, given

1 the frequency of their racing schedule as compared
2 to Thoroughbreds. The seven day maximum or minimum
3 period is requested that it be five for
4 Standardbreds, so that they can be in their racing
5 form when it comes to more frequent starts. We felt
6 it was a logical and plan to take that back to the
7 policy process as well.

8 Lastly, there was a request for further
9 consideration of the policy regarding the
10 administration of race day anti-bleeder medication.
11 Actually, there were sort of two facets to that
12 discussion.

13 Number one was the use of adjunct medications.
14 To be fair, at least one member of the committee
15 argued that they be used and used effectively
16 without any apparent ill effect, and the other kind
17 of opinion was the strong consensus of the majority
18 of the committee, was the absence of science with
19 regards to the application of adjunct medication.

20 The number two facet in the discussion was how
21 the actual administration would take place.

22 Bernie has pointed out that at a short meeting
23 with a limited budget like ours, hiring enough
24 licensed veterinarians to actually go in and
25 administer the Lasix might not be a practical way

1 for us to approach it.

2 We think we can meet the goal of seriously
3 limiting access to these race day funds and still
4 have professional administration of medication.

5 MR. HETTEL: That's essentially correct.
6 Generally speaking, what I'd envision is our
7 practicing veterinarians will do just that; work and
8 limit their work to race day administration and have
9 our people witness it, a lab tech assistant or a
10 veterinary assistant issue the medication we pay for
11 and then make the charge to the person receiving
12 that.

13 MR. VAN CLIEF: The whole point of the policy
14 being to limit access to that stall on race day.

15 MR. HETTEL: Essentially, the practicing
16 veterinarian is out of that stall on race day.

17 MR. VAN CLIEF: Then from a time line
18 standpoint, given the fact that although there are
19 important questions and we'd like to have input into
20 the policy development process with our fellow
21 regulators, given the general consensus and what I
22 thought was an enthusiastic support level for
23 uniform medications for the Mid-Atlantic region,
24 that I think we can move fairly quickly on this.

25 As Bernie's already pointed out, there's a

1 June 10th meeting of Mid-Atlantic regulators. We're
2 gonna take these questions and this input back to
3 them, and if all goes well, we'd like to think --
4 maybe this is my personal thought, but I'd like to
5 think we can come back with a recommendation,
6 hopefully, to approve a policy or set of policies in
7 line with the Mid-Atlantic region, and that we can
8 do so at the next VRC meeting, which we haven't
9 obviously scheduled yet.

10 CHAIRMAN SIEGEL: We're gonna do that today, as
11 well as a follow-up meeting.

12 MR. VAN CLIEF: Mr. Chairman, do I have time
13 for a little --

14 CHAIRMAN SIEGEL: Sure. Sure. I'd like to
15 also hear from any other members of the committee,
16 or if our guests have comments to make to this
17 effort.

18 MR. VAN CLIEF: A couple of things have
19 occurred since our committee met to add weight and
20 maybe a little momentum to this.

21 Number one, I know it is hoped that not only
22 will this become a practical solution for horse
23 racing in the Mid-Atlantic region, but that the
24 Mid-Atlantic region can merge as a leader in
25 developing national uniformity, which we believe

1 that we absolutely need.

2 We're under the gun at the federal level, and
3 we're under the gun from a publicity standpoint, and
4 if we could achieve uniformity in a restrictive set
5 of medication policies across the land, we'd be
6 taking a huge step forward, which nobody has been
7 able to do, although many have tried over at least a
8 30-plus year period.

9 I don't know how many of you saw this, it's the
10 May 13th Time magazine, and it had an amazing
11 article. It's a multi-page article with all-color
12 photographs on racing, but it's called Twilight at
13 the Track, and the headline reads, Race horses are
14 closing, purses are dwindling and breeders are
15 finding other work.

16 I'm not gonna read you all of the salient bits
17 in here at this point. I might do it later.

18 It's a compelling article, and it basically
19 chronicles the downturn in racing, which we're all
20 aware of in terms of our fan base, our annual purses
21 and so forth, all the main business indicators.

22 One of the things it does point out though, and
23 unfortunately, it mentions in a very generalized way
24 a quote, unquote, culture of drugs in racing, which
25 is, I think, very unfortunate, but there it is, and

1 it's not surprising, because I know that's how we're
2 looked at as an industry.

3 However, it does point out as a possible bright
4 light the fact that Mid-Atlantic regulators have
5 gotten together to develop and approve a strict set
6 of medication guidelines to do so with uniform
7 standards across regional boundaries.

8 So I think if you haven't seen it, try to get
9 your hands on it, or I'll be happy to get copies to
10 everybody.

11 Another thing that I think is encouraging, is
12 that, obviously, this policy proposal has been
13 disseminated on the national level, as well as the
14 regional level.

15 Thoroughbred owners in California have at least
16 from what I read in industry publications signed on
17 and are prepared to adopt this policy or something
18 very, very close to it. So I think that's amazing
19 and positive and gives us some momentum.

20 So my personal hope is that we will be able to
21 move ahead in a forward-going and businesslike way,
22 and also a proper way, to be a part of this
23 leadership effort to develop a policy that I think
24 will benefit all of us, and certainly the horsemen
25 in their day-to-day working lives.

1 Thank you, Mr. Chairman.

2 CHAIRMAN SIEGEL: I just wanted to state the
3 obvious, and that is that this committee, under
4 D.G.'s leadership, is really out front on this
5 issue.

6 I think I stated at the last Commission meeting
7 that we're a small entity relative to the industry,
8 and we would more likely be a follower than a
9 leader, but I think this has kind of reversed that,
10 and I think people have done a lot of work and
11 people are listening to what we have to say, which I
12 think says a lot for Virginia racing and all the
13 various constituents.

14 I'd like to also ask at this point if several
15 members of the committee that are here in the room,
16 if you have anything to add to what D.G. has said?

17 Dr. Harden, you usually have something to opine
18 to. I don't wanna put you on the spot. He's pretty
19 comprehensive with his report.

20 MR. HETTEL: Mr. Petramalo.

21 MR. PETRAMALO: Am I being abused today? Yes.

22 As you all may know, there are three principal
23 horsemen's organizations in the country. There's
24 the HBPA in Lexington. Here in Virginia, we're the
25 affiliate. Then there's the TAJ, which Allen

1 Foreman is the principal spokesman for. They
2 represent the horsemen in Maryland, Delaware, New
3 York, parts of Illinois, et cetera. They're a
4 little smaller than us. And then there's TOC that
5 D.G. referred to; that's the Thoroughbred Owners of
6 California.

7 With regard to the penalty section of the
8 Mid-Atlantic program, our CEO, Phil Hanrahan, the
9 national HBPA and I met with Allen to discuss the
10 penalty phase because we had a number of questions,
11 and our goal is to be able to come to some common
12 understanding among the horsemen's groups with
13 regard to the penalty phase, and it seems to me if
14 we can do that, that's three-fourths of the way to
15 the goal line.

16 With that said, dealing with various horsemen's
17 organizations even within our own HBPA is not an
18 easy task, but we're committed to the notion of
19 uniformity, but the devil is in the details.

20 One of the most important aspects is the
21 penalty phase, because what's being proposed is not
22 a change to the underlying penalty systems in place
23 in all the states. For example, here in Virginia,
24 we have layed out in our regs what the penalties are
25 for various drug overages.

1 But what the Mid-Atlantic is doing is proposing
2 an overlay to take care of multiple penalty
3 violations across the country. So if you pick up a
4 violation in Delaware and you come into Virginia,
5 there's a possibility in addition to being penalized
6 under the Virginia statute, there will be an
7 additional multi-penalty violation -- multiple
8 violation penalty that goes on top, and that's what
9 we wanted to talk about.

10 CHAIRMAN SIEGEL: Robin, do you want to make a
11 comment at this point regarding the issues that you
12 care about? You're certainly welcome to do that.

13 MS. WILLIAMS: Thank you. I didn't know
14 whether an opportunity would arise.

15 CHAIRMAN SIEGEL: Well, there's a public
16 comment sort of at the end of the meeting, but I
17 think you're interested in this particular issue.

18 MS. WILLIAMS: Yes. My comments refer to this.

19 CHAIRMAN SIEGEL: Yes. So Robin Williams is
20 here, and she's a former member of this Commission
21 and chairman, and is involved nationally a whole lot
22 in Virginia racing and cares about this and other
23 issues.

24 So Robin, if you'd like to say a few words,
25 you're on.

1 MS. WILLIAMS: Mr. Chairman, thank you so much
2 for giving me this opportunity, and I'm sorry I have
3 not met all of the current members of the
4 Commission, but I'm Robin Williams. I'm a former
5 member of the Commission. I've been involved in
6 racing regulation nationally through RCI and through
7 development of the national racing license.

8 I've also been very active with after care and
9 rescue of ex race horses. I co-founded a chapel
10 retirement foundation at one of the prisons and
11 served as the national president.

12 I just want to add one more reason to have a
13 uniform rule, and that is after care, because a
14 properly constituted and well-enforced medication
15 rule can contribute to a positive resolution of one
16 of the Thoroughbred industry's worst problems, which
17 is what to do with all these ex race horses, and I'm
18 asking for minimalism.

19 Not gonna get into the weeds on this, but
20 please limit the use of medications that are used to
21 patch up, cover up and somehow squeeze a couple more
22 cheap races out of the horses.

23 Thousands of horses come off the track every
24 year with no assurance of a safe retirement or a
25 second career. These horses are gonna live another

1 20 years. We don't want to warehouse these horses.
2 We want to help the industry find a financially
3 workable solution to after care.

4 I'm here to tell you that solution is to retire
5 horses while they still have some value, and you all
6 through this rule can help make that happen.

7 Money is the driver here. Ex race horses go to
8 the highest and best use. If they are absolutely
9 broken down and totally used up, they're gonna fall
10 into, I find, the slaughter house, unless they're
11 lucky enough to be rescued, but of course there are
12 limited rescue salons.

13 But if they can rest for six months and become
14 sound enough to be ridden, then they have value. We
15 can rehabilitate them and they can have a second
16 career, instead of being an expensive, useless,
17 embarrassing bi-product of the Thoroughbred racing
18 and breeding industry.

19 Rescue organizations are always trying to
20 convince trainers to retire horses one or two races
21 earlier. Don't run that extra race out of a horse.
22 That extra race and related physical toll on a
23 horse's legs could mean the difference between a
24 horse of value as a trail horse or show horse or
25 whatever, than a horse that is nothing but a

1 financial burden for the next 20 years.

2 If we can get the horse before his ankles blow
3 up or his tendons break down, we have a shot at
4 rehabbing them. I'm asking you to give trainers the
5 tools they need to care for horses, but please make
6 it real hard for them to use medication instead of
7 rest, and to fake a horse's soundness long enough to
8 grind those last killer races out of them.

9 Thank you, Mr. Chairman.

10 CHAIRMAN SIEGEL: Thank you, Robin. I think
11 most of us in the room have owned horses, race
12 horses or perhaps pleasure horses, and I think
13 Robin's point is a very good one.

14 I would doubt that you're gonna be able to
15 establish regulations in this regard, but I think
16 whatever we can come up with as a Commission with
17 regard to what we go forward with, at least ought to
18 address this issue and express some concern at the
19 very least, and I just think awareness is key on
20 this particular issue.

21 Robin's work in Goochland County has received
22 national recognition, and they do a great job with
23 those inmates that are incarcerated, as well as
24 those animals, those horses that reach there, and in
25 some cases, have no opportunity for a second career,

1 but in many cases there are, and there's an
2 opportunity for inmates to get a second chance and
3 for horses to have that same second chance.

4 So I'm just speaking as one individual. I
5 think that we ought to at least salute that issue
6 and when we come back --

7 MR. VAN CLIEF: Mr. Chairman, I agree. I want
8 to thank you, Ms. Williams, too, for taking the time
9 today.

10 She also made a prior committee meeting to talk
11 about that, and when we talked about the brand of
12 racing or the image we portray to the outside world,
13 this is a really important element of that brand
14 milling. It's one of the things we've been
15 criticized for, as well as failure of medication in
16 the area of after care of our horses, so I think
17 it's a great point.

18 CHAIRMAN SIEGEL: I think one last comment.
19 Obviously, these regulations are designed to protect
20 the horse, and are we really protecting the horse
21 with some of the activity we do towards the end of
22 that horse's career? It's worth hearing the
23 remarks.

24 If anyone else would like to speak on this
25 issue, there is a meeting, of course, on June 10th,

1 and there will be more dialogue coming back to our
2 next meeting on this.

3 And again, I'm really proud to be on the front
4 end of this thing, and hopefully our deliberations
5 will impact what happens both in the Mid-Atlantic
6 and nationally.

7 Again, thanks to D.G. and members of the
8 committee for all their hard work.

9 MR. TROUT: Mr. Chairman, if I could ask one
10 thing. In the first place, I think it's tremendous
11 progress that we've seen that's been coming up in
12 the past, and is a great direction to go in, both
13 for Virginia and the Mid-Atlantic region.

14 Do you know about any other regions or parts of
15 the country that are looking to get together or
16 working together with various states and are they in
17 touch with us? Are we in touch with them? It
18 sounds to me like what we're putting together will
19 at least greatly influence what might be a national
20 policy.

21 MR. HETTEL: Generally, the Mid-Atlantic group
22 is well informed and trades information. I think
23 I'm encouraged by the California Thoroughbred owners
24 that will join in and add some initiative. So we've
25 got both ends of the coast. We've got the east

1 coast and the west coast, and the great Midwest will
2 join us eventually, Kentucky and those other places,
3 Indiana, Ohio.

4 So I'm pretty enthused about this, actually.
5 In my history of being a regulator, this is about as
6 fast a moving situation as I have experienced.
7 Normally, this drags on. If you stop to think, our
8 first meeting was in February, Doc, or January --

9 DR. HARDEN: Yes.

10 MR. HETTEL: -- to today, and maybe June 10th,
11 that group may be certainly one of the last meetings
12 for us to come back in July and get approval and
13 move on with the process of change.

14 MR. PETRAMALO: Also, Commissioner Trout, bear
15 in mind what is being done on the Mid-Atlantic is
16 basically being mirrored at the Racing Commission
17 international level, the trade association of all
18 the racing commissions in the country, so they are
19 in the process of putting together model rules,
20 which admittedly they can only recommend to all the
21 states, but their model rule would be identical for
22 the most part to what's going on in the
23 Mid-Atlantic.

24 MR. TROUT: I appreciate all the work you've
25 been doing. Sounds like this is really going in the

1 right direction, something very positive this
2 Commission and the Commonwealth of Virginia should
3 support any way we can.

4 MS. DAWSON: Mr. Chairman?

5 CHAIRMAN SIEGEL: Yes.

6 MS. DAWSON: I want to support what you said
7 about Ms. Williams, but on the medical report, I
8 have a couple questions.

9 CHAIRMAN SIEGEL: Speak up.

10 MS. DAWSON: Is there a written report of the
11 committee's minutes?

12 MR. VAN CLIEF: Yes, there is. I'll be happy
13 to distribute that, if you'd like.

14 MS. DAWSON: Just yesterday, the RCI sent out
15 their list, medications list, which I printed out,
16 which they adopted on April 2nd, so is what our
17 medications we've been discussing any different from
18 this?

19 MR. VAN CLIEF: I haven't seen the most current
20 list from RCI.

21 MR. HETTEL: Let me defer to Dr. Harden and Dr.
22 Sams.

23 DR. HARDEN: They are essentially the same.

24 MS. DAWSON: So this one, even though it is
25 dated April 2nd --

1 DR. HARDEN: I think the RCI finally adopted
2 that. It was April the 20th, the latter part of
3 April, but that is essentially --

4 MS. DAWSON: But they adopted it in this form?

5 DR. HARDEN: Yes.

6 CHAIRMAN SIEGEL: Other comments?

7 NOTE: There is no response.

8 CHAIRMAN SIEGEL: Okay. The second committee
9 report Carol will give, which is Breeders Fund
10 Harness subcommittee as well.

11 MS. DAWSON: Thank you, Mr. Chairman.

12 The members of the Virginia Breeders Fund
13 Standardbred subcommittee met by conference call
14 May 13th and approved the attached proposal on the
15 2013 pending plan.

16 The plan shows very little difference for the
17 past two years, however, it does show less funds
18 available than in the past due to a decline,
19 partially, in wagering on harness racing.

20 The result is a total of approximately 258,000
21 in available funds for the distribution this year.
22 The amount proposed for year-end breeders awards is
23 \$71,000, only slightly more than the awards paid in
24 at the end of 2012.

25 The members of the subcommittee unanimously

1 adopted the attached plan.

2 CHAIRMAN SIEGEL: Okay. Thank you. Any
3 comments about that meeting as well?

4 NOTE: There is no response.

5 CHAIRMAN SIEGEL: Okay. Our next item on the
6 agenda is the executive secretary's --

7 MR. HETTEL: You have to vote.

8 CHAIRMAN SIEGEL: I'm sorry. Is there a motion
9 to adopt and accept this particular report?

10 MR. HETTEL: So moved.

11 CHAIRMAN SIEGEL: Second?

12 MR. TROUT: Second.

13 CHAIRMAN SIEGEL: All in favor?

14 NOTE: The Commission votes aye.

15 CHAIRMAN SIEGEL: All right. It's approved.

16 Next, we have the executive secretary's report.
17 I'll call on Bernie.

18 First of all, I'd like to thank you, Bernie.
19 He's provided us with refreshments. They have
20 arrived in the back of the room.

21 MR. HETTEL: It's better late than never. If
22 anybody wants to take a half a minute break and get
23 a cup of coffee.

24 CHAIRMAN SIEGEL: Do so on your own. There's
25 coffee and sweets and juice and whatever else.

1 MR. HETTEL: Really, go.

2 CHAIRMAN SIEGEL: The sweet tooth people get a
3 little refreshment during or after our meeting.

4 Bernie, thank you for that, and we'll begin
5 your report.

6 MR. HETTEL: Okay. If you would, Mr. Chairman,
7 I'd like to go out of order here. I'd like to go to
8 Section E of my report. Dr. Sams of HFL is here,
9 and he's gonna give us a brief update on what our
10 testing lab is up to, and also we'll talk about the
11 accreditation which is necessary for compliance with
12 my aforementioned comments with the Mid-Atlantic
13 proposal.

14 Dr. Sams.

15 DR. SAMS: Thank you, Mr. Chairman, Mr. Hettel,
16 members of the Commission. HFL is preparing to test
17 samples received from Virginia. We will conduct the
18 same tests that we did in the past. We will arrange
19 for pick-up and delivery of your samples early
20 Friday morning for delivery to the laboratory on
21 Friday, so that we can begin testing on that date.

22 The Friday delivery will be for samples
23 collected on Wednesday and Thursday racing, and then
24 we will also arrange for pick-up and delivery of
25 samples early Monday morning, with delivery to the

1 laboratory early Monday afternoon and begin testing
2 Monday. That will include all of the
3 samples collected from Friday, Saturday and Sunday
4 race days.

5 We have worked with Mr. Hettel and with Dr.
6 Harden with regard to developing a protocol that
7 describes all of our reporting requirements, all the
8 tests we are performing that describes protocol for
9 handling samples when they arrive in the laboratory,
10 and we have agreed with Mr. Hettel to a modification
11 of the reporting time line, such that those samples
12 collected during the last week of racing for the
13 race meet will be reported -- final reports will be
14 issued no later than five days after receipt of the
15 samples, and that is a departure from what we've
16 done in the past.

17 Typically, we report samples no later than ten
18 days after receipt, but for that last week of
19 racing, we are going to endeavor to report the final
20 results no later than five days, so that any
21 necessary action can be taken while the racing
22 officials are still available.

23 Mr. Hettel also referred to the accreditation
24 procedure. RMTC accreditation is a key component of
25 the Mid-Atlantic proposal.

1 Each of the racing commissions within the
2 Mid-Atlantic has agreed at least in principle to
3 utilize RMTC accredited laboratories as their
4 official testing laboratory. That program is under
5 way.

6 HFL SportScience submitted an application to
7 the RMTC for accreditation last summer, has
8 participated in two rounds of proficiency testing,
9 the site has been visited about two weeks ago. The
10 report from that site visit is favorable, and
11 therefore, HFL expects to be one of the first two
12 laboratories accredited by the RMTC; the other
13 laboratory being the UC Davis laboratory.

14 So my expectation is Virginia testing will be
15 performed by an RMTC-accredited laboratory, and
16 there ought to be notice of that within the next
17 month or two.

18 CHAIRMAN SIEGEL: Good. Any questions at all
19 with regard to this of Dr. Sams?

20 MR. PETRAMALO: One of the key issues on
21 uniformity, of course, is making sure that something
22 tested in Virginia is subject to the -- would be
23 subject to the same test if it were in Kentucky or
24 California, et cetera.

25 With that in mind, Dr. Sams, could you explain

1 a little about the differences between states in
2 testing protocol, the equipment they use and things
3 of that sort, so that we can clearly understand why
4 there is a need for uniformity?

5 DR. SAMS: Yes. The key driver in the RMTC for
6 uniformity is the proficiency testing program.
7 There are two types of proficiency samples.

8 As I mentioned, we already participated in two
9 rounds. For those samples, they were received by
10 the laboratory as proficiency samples, clearly
11 labeled as such, and we subjected them to the
12 routine testing that we perform and then reported
13 the results.

14 The other type of proficiency sample is the one
15 that arrives from the racetrack, indistinguishable
16 from an official sample, and gets submitted to the
17 laboratory and tested as it were an official sample
18 without the laboratory knowing that it is a test
19 sample. That's the key driver for ensuring
20 uniformity.

21 Does that makes sense?

22 MR. PETRAMALO: Yeah, yeah. Sure.

23 DR. SAMS: So at this time, there are enormous
24 differences between laboratory performance. That's
25 driven primarily by what racing commissions are

1 willing and able to spend on testing.

2 HFL competes with laboratories that bid \$30 to
3 \$40 per test, per sample. HFL can't get the samples
4 in the laboratory for \$30 to \$40 a sample, and
5 laboratories are still using methodology that was
6 outdated in the 1990s.

7 But without the Commission specifying the level
8 of testing that they require and the competency that
9 they expect from the laboratory, that practice will
10 continue, and it will continue until all
11 laboratories are required to be accredited by the
12 RMTC and be subjected to the proficiency testing
13 program that I described, and then failing -- if the
14 laboratory fails to perform adequately on the
15 proficiency testing program, it runs the risk of
16 losing accreditation.

17 I think it's a very useful program that
18 ultimately will assure uniformity across state lines
19 from one Commission to another.

20 There will be costs associated with that,
21 because those Commissions that are spending \$40 to
22 \$50 per sample today are not going to be able to
23 continue to pay those kinds of fees for testing, as
24 their laboratory will have to modify its test
25 procedures in order to gain accreditation and keep

1 accreditation.

2 MR. PETRAMALO: Basically, you get what you pay
3 for?

4 DR. SAMS: That's essentially the case.

5 MR. PETRAMALO: Thank you.

6 DR. SAMS: You're welcome.

7 CHAIRMAN SIEGEL: And technology has changed
8 such over the years that I would imagine procedures
9 that were done in the 90s aren't sufficient for
10 today's needs, so that, I think, is important.

11 Any other comments, questions with regard to
12 Dr. Sams?

13 MS. DAWSON: I just have one question. Talking
14 about technology and advancement, is it now possible
15 to detect much smaller amounts of drugs in a test?

16 DR. SAMS: Yes, Commissioner Dawson. The
17 methodology that we're using to be able to detect
18 concentrations that are substantially lower than we
19 were able to detect just a short time ago, and in
20 many cases, the methodology that we are using is
21 greater sensitivity than the ELISA tests that were
22 introduced in the 80s and 90s that lowered the
23 limits of detection considerably.

24 So the increased sensitivity of detection
25 drives the need for thresholds for therapeutic

1 substances so they are not detected for
2 extraordinarily long periods of time long after they
3 have ceased to produce any effect.

4 MR. PETRAMALO: You can routinely test to about
5 a trillionth of gram or even more, correct?

6 DR. SAMS: Depending upon the substance, yes.

7 MR. PETRAMALO: A billionth of a nanogram --
8 for example, our threshold here in Virginia for
9 Banamine, what do you call it, Flunixin, was 20
10 nanograms. A nanogram is a billionth of a gram. In
11 the life of someone who is 32 years old, that's one
12 second. That's how sophisticated the testing is.

13 CHAIRMAN SIEGEL: Okay. Other comments at all?

14 NOTE: There is no response.

15 CHAIRMAN SIEGEL: Bernie, do you want to
16 continue with your report?

17 MR. HETTEL: Yes, sir. To continue on, Mr.
18 Chairman, I call on Tyler Picklesimer -- it's in
19 your booklet.

20 MR. PICKLESIMER: Pretty much everybody had
21 been back returning from previous years. We had one
22 official, Bruce (inaudible) was offered and accepted
23 the racing secretary's position in (inaudible) Park,
24 and he's actually there now, I believe. He is gonna
25 take Steve's place in Denver for Colonial Downs, I

1 think, and he's supported Maryland. Jeff Reidell,
2 on the original list, he has some family issues.
3 He's not gonna be able to attend, so we hired
4 Natalie (inaudible). She's from the fairgrounds,
5 and actually she's a lawyer that's done pro bono
6 work and I guess she's teaching in Saratoga, so
7 we've got competent, experienced officials. We're
8 in good shape.

9 MR. HETTEL: We need a motion to approve.

10 CHAIRMAN SIEGEL: We do. Any question or
11 comments?

12 NOTE: There is no response.

13 CHAIRMAN SIEGEL: This of course needs approval
14 from this Commission, so I'll ask for a motion to do
15 so as amended by Tyler.

16 MR. VAN CLIEF: I move we approve the amended
17 list.

18 CHAIRMAN SIEGEL: Second?

19 MR. TROUT: Second.

20 CHAIRMAN SIEGEL: Okay. All in favor?

21 NOTE: The Commission votes aye.

22 CHAIRMAN SIEGEL: Okay. We are approved.

23 MR. HETTEL: Next on the agenda is the approval
24 of wagering format. Jeff Wingrove is here to tell
25 us about that.

1 MR. WINGROVE: The wagering format this year
2 remains the same as last year.

3 CHAIRMAN SIEGEL: It's in your report?

4 MR. WINGROVE: It sure is.

5 CHAIRMAN SIEGEL: The wagering format again
6 needs to be approved, and it's identical to what we
7 did last year, so I'll ask for a motion there as
8 well.

9 MR. S. REYNOLDS: So moved.

10 MS. DAWSON: Second.

11 THE COURT: All in favor?

12 NOTE: The Commission votes aye.

13 CHAIRMAN SIEGEL: All right.

14 MR. HETTEL: Next, Mr. Chairman, is seeking
15 approval of simulcast wagering guest and host sites.
16 Mr. Wingrove again.

17 MR. WINGROVE: This is a list of all the sites
18 that we send our signals to, and the sites that are
19 not listed on that current form, Mr. Lermond and the
20 VHBPA will have to grant approval for. We do have
21 an additional, one additional, and I will speak with
22 them. I just got the contract this morning.

23 CHAIRMAN SIEGEL: Okay. Questions with regard
24 to the sites for simulcasting?

25 MR. VAN CLIEF: Yes, Mr. Chairman. Two

1 questions. Number one is, obviously, it's a very
2 extensive list. Will you in fact be able to sell
3 the signal to all of these; if not, what percentage?
4 Can you give an idea of where it will go and when?

5 The second question is: Have there been any
6 issues with HBPA or anybody else with regards to
7 distribution of any of these sites?

8 MR. WINGROVE: There have not, and that list is
9 pretty extensive. We sent the contract to all of
10 them. Not always do we get one back, however, I'd
11 say probably the 90 percent range is accurate, so
12 it's a good distribution.

13 CHAIRMAN SIEGEL: Ninety percent of this group,
14 likely?

15 MR. WINGROVE: Likely. Yes, sir.

16 MR. VAN CLIEF: Thank you.

17 MR. WINGROVE: You're welcome.

18 CHAIRMAN SIEGEL: Okay. Other comments?

19 NOTE: There is no response.

20 CHAIRMAN SIEGEL: Do we have a motion to
21 approve?

22 MR. VAN CLIEF: So moved.

23 CHAIRMAN SIEGEL: Second?

24 MS. DAWSON: Second.

25 CHAIRMAN SIEGEL: All in favor, say aye.

1 NOTE: The Commission votes aye.

2 CHAIRMAN SIEGEL: Okay. We are approved.

3 Again, the stewards. Approval of the stewards for
4 this meet.

5 MR. HETTEL: Yes, sir. Stewards seek approval
6 for (inaudible) who is returning, (inaudible)
7 Herbstreet, who is returning from last year, and a
8 new steward, Michael Pearson.

9 CHAIRMAN SIEGEL: All right. Comments?

10 NOTE: There is no response.

11 CHAIRMAN SIEGEL: Okay. If not, motion to
12 approve?

13 MR. S. REYNOLDS: Approved.

14 CHAIRMAN SIEGEL: Second?

15 MS. DAWSON: Second.

16 MR. TROUT: Second.

17 CHAIRMAN SIEGEL: All in favor?

18 NOTE: The Commission votes aye.

19 MR. HETTEL: That concludes my report, Mr.
20 Chairman.

21 CHAIRMAN SIEGEL: You're done completely? All
22 right. Moving to stakeholders. I believe, Mr.
23 Weinberg, you want to talk about change?

24 MR. WEINBERG: I believe you have received in
25 your package, there's a letter that consolidated a

1 number of discussions --

2 CHAIRMAN SIEGEL: Behind Tab Six.

3 MR. WEINBERG: -- that were ongoing, and just
4 wanted to make sure that everything was concentrated
5 in one place for posterity, in the event issues ever
6 arose in the future.

7 Simply stated, the ownership of the restaurant
8 where Colonial Downs is operating a satellite
9 wagering facility near Innsbrook has changed from
10 Finn McCool's to Hurley's Bar and Grill.

11 The operation is substantially the same. The
12 layout is slightly different, as noted in the
13 letter, and I have received -- have yet to receive
14 reports on how that facility is doing, so after a
15 brief hiatus and change, it is back in operation.

16 CHAIRMAN SIEGEL: This is simply a change in
17 ownership of that particular establishment, and it
18 appears that it's improving, hopefully for business.

19 Comments or questions there?

20 MR. TROUT: One quick question. Is the
21 contract with the new owner essentially the same as
22 what was there with the old owner?

23 MR. WEINBERG: It's essentially the same. I
24 have not compared the economics.

25 MR. TROUT: Not something you have to worry

1 about?

2 MR. WEINBERG: The new agreement is based
3 substantially on the old agreement.

4 CHAIRMAN SIEGEL: Okay. Your report on the
5 opening of the meet, Ian or Jim? Who is going to
6 talk about that?

7 MR. STUART: Open Saturday, June the 8th, and
8 like Darryl just talked about. And Tyler?

9 MR. PICKLESIMER: We've had a pretty good
10 response with stall applications, about 1,000
11 horses. We have roughly 1,000 stalls. By the time
12 you back out stalls, we are pretty much full.

13 We've got close to 850 that say they are
14 coming. The next step sequentially is getting them
15 here. Everybody comes, we should have a pretty full
16 barn. A lot of regulars are coming back; Ferris
17 Allen, Emmett Smith. We've got new outfits and a
18 lot of the regulars have supported us over the
19 years, so it should be the racetrack's open. We
20 have about 150 horses on the back side training,
21 start racing, start taking entries next Wednesday,
22 and it should be a pretty good meet.

23 MR. WOOD: From a promotional standpoint, we've
24 got pretty much -- that's scheduled all six weekends
25 for racing. Unfortunately, we don't for the fiscal

1 year, we don't have a horse going for the Triple
2 Crown on our opening. We had sort of counted on
3 that a little bit, but that's not the case. Looks
4 like the Derby and Preakness horse winner will go
5 against each other.

6 Families have been a big growth point for us
7 over the past three or four years. Every Sunday, we
8 do a family four pack type deal that gives them hot
9 dogs and soft drinks, admission.

10 Our two big family days are Father's Day.
11 Bringing back ostrich races, the camel races this
12 year, which was a big hit last year. And July 4th,
13 of course with the fireworks and racing, as always,
14 a big attendance day.

15 We've got for the first time, three different
16 tailgating events this year. Two of them are
17 drive-in tailgates. One is gonna be tied with a big
18 corn hole tournament on June 29th. Cars roll into
19 the green area, tailgate, play corn hole, get the
20 races.

21 And the other one on Virginia Derby day. In
22 the far turn, you can drive your car in there,
23 tailgate, bet on horses. We have a mini Jumbotron
24 out there as well.

25 The third tailgate is gonna be a walk-in

1 tailgate on Military and First Responders
2 Appreciation Day as part of the July 4th weekend;
3 soft-sided coolers with picnic food, beverages.

4 We're going to recognize Sheldon Russell with a
5 giveaway. He's been our leading jockey the last two
6 years. We have kind of a donkey figurine we are
7 going to give out.

8 Experience-wise, we're gonna offer tram rides
9 again between the races, give people the chance to
10 circle the dirt track, give them a little talk about
11 what racing is about, what the facilities are like.

12 We're gonna let people go to the infield
13 viewing deck for free this year after every race so
14 they can see a close-up finish on the turf course,
15 as much or as little as they like.

16 Then we also offer an inside track tour of the
17 back stretch and Stephanie's barn, and then we bring
18 them to the starting gate to see the starting of the
19 race up close.

20 So three different kinds of experiential-type
21 things they can do.

22 We're doing a little bit more for the simulcast
23 players around the country this year. We partnered
24 with the HBPA, entered into a partnership with a
25 daily racing forum. A lot more online and hard copy

1 presence.

2 They're gonna have a couple handicappers out
3 here on Turf Cup day to give a seminar, and we're
4 doing a partnership with that place as well in a
5 similar fashion, and we've got an online
6 handicapping contest promoting DRF, and hopefully
7 develop more of a following among the simulcast
8 players throughout the meet. So kind of a quick
9 snapshot.

10 MR. STUART: I think the other thing fans will
11 notice is we have a new ticketing system. We are
12 using scanners, gives us a much more accurate count
13 of how many people are actually in the building.
14 Also enables us to control sales in the Jockey Club
15 where you select your table online, so it's gonna be
16 an upgrade.

17 CHAIRMAN SIEGEL: The scanners are wireless?

18 MR. STUART: They are.

19 CHAIRMAN SIEGEL: So one can meander through
20 the crowd and take bets or strictly at the window?

21 MR. STUART: No. This is admissions.

22 CHAIRMAN SIEGEL: Oh, I'm sorry. I beg your
23 pardon. I thought you were talking about wagers.

24 MR. STUART: We do use wireless scanners on
25 race days, but this is strictly admissions.

1 CHAIRMAN SIEGEL: Any questions?

2 NOTE: There is no response.

3 CHAIRMAN SIEGEL: I'd just like to ask a
4 question of Tyler. You seem pretty optimistic about
5 the number of horses that will come and the amount
6 of races and your ability to fill those races, given
7 the fewer days by about 25 percent this year.

8 Do you still remain optimistic that you will be
9 able to fill these cards?

10 MR. PICKLESIMER: I think we'll do fine. The
11 shorter meet allows the race to go from 23,000 last
12 year to 30,000 this year. I think that will be
13 special.

14 CHAIRMAN SIEGEL: Sounds great.

15 MR. PETRAMALO: The other thing to bear in mind
16 is Colonial is running a shuttle this year from
17 Maryland, meaning they will pick up horses at Bowie
18 and Laurel on race day, bring them here and then
19 being them back, and the charge round trip is only
20 \$75. That, I think, should substantially boost the
21 number of Maryland folks.

22 CHAIRMAN SIEGEL: I think we've done that
23 before.

24 MR. PETRAMALO: Six or eight years ago.

25 CHAIRMAN SIEGEL: That's well marketed up

1 there?

2 MR. PETRAMALO: They know it. Yes.

3 MR. PICKLESIMER: We're running five days
4 during -- maybe three or four races more per week
5 than we did last year, so we should -- all said and
6 done, it's good.

7 CHAIRMAN SIEGEL: Great. That's good news.

8 Any other comment on the upcoming meet?

9 MR. VAN CLIEF: One question, Mr. Chairman.
10 Given the sort of environment, generally, of the
11 sports events, will there be any changes,
12 differences in security protocol front side, back
13 side?

14 MR. ROONEY: I apologize. I could not hear the
15 question.

16 MR. VAN CLIEF: Given the current environment,
17 are there any differences in your security protocol
18 this year to secure the grounds?

19 MR. ROONEY: On the back side, because it's,
20 you know, it's regulated more than the front side,
21 of course, not really on the back side.

22 On the front side, we again don't allow, unlike
23 other tracks, we don't allow people to bring coolers
24 and things in. Now when we do the tailgating and
25 stuff, we actually check the coolers as they come

1 in. Those type of things, just a quick look in
2 those type of things, just to make sure, but
3 substantially not. You won't see a huge change in
4 that.

5 MR. VAN CLIEF: Thank you.

6 CHAIRMAN SIEGEL: Any other questions or
7 comments?

8 NOTE: There is no response.

9 CHAIRMAN SIEGEL: Jim, since this Commission
10 obviously has to grant whatever licenses are coming
11 before us, there's been some press of late with
12 regard to the possibility of Colonial being sold.
13 I'd like to get an update from the Commission on
14 what, if anything, is going on.

15 MR. STUART: I think there's a couple things
16 that everybody needs to be aware of, at least before
17 you evaluate what you read in the newspaper.

18 First, Mr. Jacobs is currently an 18 percent
19 shareholder. He's the largest single shareholder.
20 The transaction that you read about in the paper
21 would be an exchange of his stock in Jacobs
22 Entertainment for more NTR stock.

23 So if the transaction as described in the
24 newspaper was to take place, he would now own
25 somewhere in the neighborhood of 60 percent of NTR

1 Gaming. So yes, Colonial Downs is being sold.

2 CHAIRMAN SIEGEL: Well, you sort of reported
3 what the paper said, and you cannot always believe
4 what you see in the paper, but my question was I
5 guess is there any update to apparently what was
6 said in the newspaper?

7 MR. STUART: No.

8 CHAIRMAN SIEGEL: The newspaper says that
9 Mr. Jacobs had made an unsolicited offer to them,
10 and at this point, that has not moved down the road
11 any further than the newspaper?

12 MR. STUART: My understanding is that the MTR
13 board of directors has hired an investment banking
14 firm to advise them as to what they should do with
15 Mr. Jacobs's offer. Other than that, I don't know.

16 CHAIRMAN SIEGEL: You'll keep us advised?

17 MR. WEINBERG: Just to be clear, from the
18 Commission's point of view, obviously, if there is a
19 five percent principal shareholder in Colonial
20 Downs, it requires the Commission's approval, so if
21 the transaction were to move forward, I think that
22 would be the next step for the Commission's
23 involvement under the change of ownership provisions
24 and statute and regulations.

25 CHAIRMAN SIEGEL: Right. Bernie and I

1 discussed this, and we agree with that
2 interpretation. We just need to be kept updated.

3 MR. STUART: Well, to be totally clear, there
4 is absolutely no guarantee this transaction is
5 taking place.

6 CHAIRMAN SIEGEL: No. Of course not. Just
7 wanted to be clear on that. Thanks for that piece
8 of information.

9 Next we have the approval of the Benevolence
10 Fund, and Frank, you want to present that?

11 MR. PETRAMALO: Yes, Mr. Chairman. We
12 presented a back stretch budget this year of
13 \$110,000. Now let me quickly add this is a back
14 stretch budget for both Thoroughbred and harness
15 meet. We have done this in the past.

16 The budget is down about 20,000 from last year
17 to reflect the fact that we have a shorter meet, but
18 the individual line items are basically the same in
19 terms of what we provide; meal tickets for people
20 working on the back side redeemable in the track
21 kitchen.

22 We have a 12-person van that we rent to carry
23 folks to shopping centers, entertainment. We also
24 buy mattresses and air conditioners for the dorms.
25 They have a number of them that have to be replaced

1 every year.

2 One of the main programs we're gonna run this
3 year on the back side in the way of education is a
4 special trainer test preparation class. Last year,
5 we ran a six-week groom class, which basically two
6 days a week brought grooms into our building for a
7 combination of classroom instruction, and then
8 instruction in the barn to upgrade their skills.

9 We don't run that every year. We kind of
10 rotate. This year for the first time, we will be
11 running a three-day preparatory class for assistant
12 trainers or grooms or exercise riders or anyone who
13 would like to take the test to become licensed by
14 the VRC as a trainer.

15 That process is basically two-fold. There's a
16 practical test given in the barn to an individual to
17 make sure the person can tack a horse, bandage a
18 horse, et cetera, and for the last several years, we
19 have employed an expert, one Stephanie Nixon, to do
20 the barn test, and then the more important part of
21 the test is administered by the stewards. It's a
22 written test.

23 So over a three-day period, we have a Dr. Reid
24 McLellan coming from our national headquarters to
25 give instruction and basically how to study for and

1 pass the written portion of the exam. That's the
2 major difference this year from last year.

3 Also, we are once again sponsoring on
4 June 18th, a benefit golf tournament for the
5 disabled jockey fund. That about wraps it up. That
6 adds up to 110,000 when you include the Standardbred
7 program.

8 CHAIRMAN SIEGEL: All right. Questions or
9 discussion regarding Frank's report?

10 MR. VAN CLIEF: Just a clarification. Is the
11 Jockey Club premium, does that go into the Jockeys
12 Guild?

13 MR. PETRAMALO: No. No. Colonial Downs buys
14 insurance coverage. I forget who the carrier is.
15 Last year, it may have been Nationwide. I'm not
16 positive.

17 Commissioner Van Clief, here's the history.

18 When the Jockey Guild fell on hard times
19 because of management problems, the jockeys were not
20 covered by anything other than the minimal \$50,000
21 policy, so probably six or seven years ago, together
22 with Colonial Downs, we agreed to purchase a policy
23 with limits I think of a \$1 million, something like
24 that.

25 So we've over the years helped Colonial pay the

1 premium, and that's what that line item is for.

2 CHAIRMAN SIEGEL: Questions? Comments?

3 NOTE: There is no response.

4 CHAIRMAN SIEGEL: This of course requires
5 action of this Commission, so I'll ask for approval
6 of the Benevolence Fund report.

7 MR. VAN CLIEF: So moved.

8 CHAIRMAN SIEGEL: Second?

9 MS. DAWSON: Second.

10 THE COURT: All in favor?

11 NOTE: The Commission votes aye.

12 CHAIRMAN SIEGEL: The ayes have it.

13 All right. We are now gonna hear a little bit
14 of positive information, I think, from the Gold Cup.
15 Dr. Allison, are you gonna report on the outcome of
16 the Gold Cup?

17 DR. ALLISON: Thank you, Mr. Chairman. We were
18 very blessed. We had an outstanding race day. We
19 had over 65,000 people, which was the largest number
20 of people to ever attend our races.

21 CHAIRMAN SIEGEL: We can't hear you.

22 DR. ALLISON: I'm old. I'll get a little
23 closer. Anyway, outstanding races. Over 65,000
24 people were in attendance, and checking our aerial
25 photographs back to the first race meet, it was by

1 far the largest.

2 Surveys have shown that the interest in
3 parimutuel betting was one of the factors that
4 encourage people to come, so that again is a very --

5 CHAIRMAN SIEGEL: What's a typical crowd?
6 There were 65,000 this year. What's a typical
7 crowd?

8 DR. ALLISON: Typical crowd before then was 50,
9 so it was a very significant increase.

10 The betting was a great success, and it has
11 been reported in the papers that people stood in
12 line every race and the lines were 50 yards or more.
13 We would go visit with the people in line and they
14 have a little libation in their hand, and they
15 seemed to be socializing and not the least bit
16 perturbed.

17 David warned us that we didn't have enough
18 stations, but United Tote was limited technically by
19 the coaxial cable and the amount of electricity to
20 provide us.

21 But at our meet, we had a company that will
22 hopefully provide us with Wi-Fi for the fall race,
23 and the proposal will be coming to us this week.

24 But my boarders already approved this concept,
25 and it will allow us to have the smart phone and we

1 will continue to have the stations as well, but
2 we'll be able to enlarge them, and because of our
3 history of the betting patterns of our public, we
4 will know better how to situate them so we can help
5 alleviate those long lines.

6 The thing that pleases us was this great
7 interest by the public, and it was noticed by
8 jockeys, by everybody, that it made people more
9 interested in the races, so that was pleasing.

10 For the coming races, we intend to establish
11 Virginia-bred preferred for all our races, and we
12 are hopeful that this will help our Commonwealth and
13 its horse industry.

14 We are working to have a Virginia-bred race
15 only in the fall, and we're working with Frank and
16 his good group and with the Virginia Horse
17 Industrial Board, so by putting on that race, again,
18 it is to stimulate interest in the Virginia-bred
19 horse.

20 The success of our race was due to a number of
21 things, but especially to the staff of the Virginia
22 Racing Commission, and we had Mr. Hettel, who was
23 Cool Hand Luke, who kept us from falling into
24 potholes, and certainly Dave helped us tremendously.

25 Our dear friend, Mr. Rooney, had security

1 everywhere, security in our stable area, security in
2 our judge key area, security on the course itself,
3 and this was much appreciated by the whole racing
4 community. They said how smoothly things ran.

5 And then we have to mention Dr. Harden, who
6 brought our veterinary world back into the 21st
7 century, thank you, testing. And our stable area
8 was perfectly done, so thank you so much for your
9 support.

10 CHAIRMAN SIEGEL: Okay. Good. Questions of
11 Dr. Allison? Questions?

12 NOTE: There is no response.

13 CHAIRMAN SIEGEL: So it went well, and
14 obviously, there's some adjustments and improvements
15 in the wagering effort that will take place,
16 hopefully by the fall meet.

17 DR. ALLISON: Yeah. So we hope to correct all
18 that.

19 CHAIRMAN SIEGEL: I would think that the
20 success that you've been able to achieve, even
21 greater than what you previously -- your previous
22 success has been getting 65,000 people out there,
23 and having that success, I would think that the Gold
24 Cup would be very cooperative with Colonial, for
25 example, in helping to maybe get some of these

1 65,000 people to come to Richmond for the meet.

2 Have you worked with them at all, Darryl?

3 MR. WOOD: We worked prior, but haven't talked
4 since then.

5 CHAIRMAN SIEGEL: I think willing to do so
6 would allow you in some ways to help both our meets.

7 DR. ALLISON: We were delighted. We think we
8 have perfected many steps on how to attract people
9 to come to our race meet.

10 And you have to spend a little money. We spent
11 over \$75,000 a race in our public relations, and
12 this is, you know, getting the word out in every
13 publication that is related, you know, to imitating,
14 and it is something. We are glad to share it with
15 you.

16 CHAIRMAN SIEGEL: We'll have to do some joint
17 things together, and Colonial can have a presence
18 out there, perhaps to promote our meets.

19 MR. PETRAMALO: I'd like to commend Dr. Allison
20 and Mike Pearson and the whole Gold Cup Association
21 for putting on a wonderful show. It was
22 spectacular, and of course a good portion of that
23 success was due to your staff. Everything ran
24 smoothly.

25 It was an outstanding day of racing, and from a

1 personal standpoint, Chairman Siegel, I will tell
2 you that handicapping was like shooting fish in a
3 barrel.

4 CHAIRMAN SIEGEL: I'll go with you next. I
5 have not had much success.

6 MR. PETRAMALO: It was a wonderful day of
7 racing. It could not have been better.

8 DR. ALLISON: I did want to recognize my aide
9 de camp, Mike Pearson, who again, guided me. He
10 knows everyone in the game and helped me make these
11 contacts.

12 Now, he has an uncle who is a legend, most
13 outstanding fox hunting man in the history of
14 America. More books have been written about Melvin
15 Poe than any hunting man living or dead, and he is
16 in the Hall of Fame over in Morvin Park.

17 I was talking to him recently about Mike, and
18 his comment was, well, he's pretty smart for a
19 country boy from Virginia.

20 CHAIRMAN SIEGEL: Thank you, Dr. Allison.
21 Mike, thank you as well.

22 Any other comments before we move on?

23 MS. DAWSON: Just one. Express the
24 appreciation of this body to the members of the
25 Commission staff for doing such a great job.

1 CHAIRMAN SIEGEL: Good. Thank you to you,
2 Dave, and Dr. Harden, and everyone else involved.

3 There will be no need for a closed meeting
4 today, but I will move on to ask if there's anyone
5 from the public that would like to make a comment.
6 Public participation at this time.

7 NOTE: There was no response.

8 CHAIRMAN SIEGEL: Okay. Hearing none, we'll
9 set the next meeting. I have a suggested date for
10 the next meeting. Bernie and I went over our
11 calendars yesterday, and we will not have a June
12 meeting, but a July meeting, and we're looking at
13 July 10th as a possibility.

14 Happens to be a race day, and my suggestion is
15 if the date works, we could meet in the afternoon
16 and then stay for racing.

17 Does that date work with everyone? That's July
18 10th. It is a Wednesday, and I will suggest that we
19 meet at 3:30. Gives us plenty of time to get the
20 business done, and then enjoy the races. I think
21 the post time is six.

22 MR. HETTEL: We'll be at the old location
23 because they'll need this room.

24 CHAIRMAN SIEGEL: We'll go back to home base
25 for the next meeting. Does that date work?

1 NOTE: There is a positive response.

2 CHAIRMAN SIEGEL: Great. Works every time.

3 MR. HETTEL: That was too easy.

4 CHAIRMAN SIEGEL: Okay. So it is 3:30 on the
5 back side on July the 10th.

6 It is not anticipated that we'll have an August
7 meeting, but we have a suggested date for a
8 September meeting, which happens to fall during the
9 Standardbred meet, which is Wednesday again,
10 September 25th. We would meet at eleven o'clock,
11 and post time is at one, so we could set the meeting
12 for eleven, probably, and have time enough or do
13 10:30, but I think eleven is time enough.

14 MR. HETTEL: Plenty of time. Yes, sir.

15 CHAIRMAN SIEGEL: How does that date work?

16 MS. DAWSON: Is that a Wednesday?

17 CHAIRMAN SIEGEL: That's a Wednesday, September
18 25th.

19 MR. S. REYNOLDS: That's good.

20 CHAIRMAN SIEGEL: So we'll set that again on
21 the back side at eleven o'clock on the 25th.

22 In my discussion with Bernie yesterday, we
23 decided that we would try to sort of, as we once
24 did, set the dates going forward on for the entire
25 year as far as we could go, so that everyone would

1 have them on their calendars.

2 As we have done in the past, we can alter the
3 days as we go along if we need to, if any of the
4 constituents is having a problem.

5 One of the factors in that Bernie and I
6 discussed some key day dates for the Colonial as
7 well as VHBPA and Standardbred folks in terms of
8 approvals of race days and anything else that would
9 need to come before the Commission, so I asked
10 Bernie to get together with the various entities and
11 see if there are some dates that might effect our
12 schedule, if everybody understands what I'm saying.

13 So we don't have to do that now, but Bernie
14 will be in contact with you and we will hopefully
15 set these dates out further out in advance than we
16 are currently doing.

17 Is there any other business to come before the
18 Commission today?

19 NOTE: There is no response.

20 CHAIRMAN SIEGEL: If not, we are adjourned.

21

22 NOTE: The meeting is adjourned at 11:21
23 a.m.

24

25

CERTIFICATE OF COURT REPORTER

I, Sandra G. Spinner, hereby certify that having first been duly sworn, I was the Court Reporter at the meeting of the Virginia Racing Commission at the time of the hearing herein.

Further, that to the best of my ability, the foregoing transcript is a true and accurate record of the proceedings herein.

Given under my hand this 6th day of July, 2013.

SANDRA G. SPINNER**COURT REPORTER**